



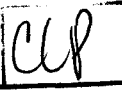
ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

CARL J. KUNASEK
Chairman
JAMES M. IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

NOV 22 2000

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DOCKETED BY 

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION)
OF U S WEST COMMUNICATIONS, INC.)
A COLORADO CORPORATION, FOR A)
HEARING TO DETERMINE THE)
EARNINGS OF THE COMPANY, THE)
FAIR VALUE OF THE COMPANY FOR)
RATEMAKING PURPOSES, TO FIX A)
JUST AND REASONABLE RATE OF)
RETURN THEREON AND TO APPROVE)
RATE SCHEDULES DESIGNED TO)
DEVELOP SUCH RETURN.)

DOCKET NO. T-01051B-99-0105

REPLY IN SUPPORT OF JOINT
MOTION OF AT&T AND COX TO
RECONSIDER PROCEDURAL
SCHEDULE

(Expedited Ruling Requested)

AT&T Communications of the Mountain States, Inc. ("AT&T") and Cox Arizona Telcom, L.L.C. ("Cox") object to the rush to adopt a settlement agreement that fundamentally changes the telecommunications landscape in Arizona, conflicts with Commission rules and provides Qwest increased revenues, all without substantial and meaningful participation in the settlement negotiations by interested or affected parties and without public notice of the settlement. AT&T and Cox believe that it is appropriate to vacate the hearing and to allow interested or affected parties a true opportunity to participate in these critical issues. Such constructive participation has not yet happened.

The Settlement Agreement, and the Price Cap Plan in particular, present complex concepts. Commission Staff and Qwest took a significant period of time (months) to negotiate and prepare the Settlement Agreement and Price Cap Plan. Indeed, they requested two extensions of the hearing date in this docket: on September 18 ostensibly to "involve other parties in this process" (which did not happen); and on October 4 because "additional time is necessary [for Staff and Qwest] to reach a mutually acceptable resolution. Both extensions were granted.

On October 6, Staff presented intervenors with a "negotiated Price Cap Plan," and offered access to its consultants on October 11-13 "to answer any questions and clarify any issues." Several parties submitted numerous comments to Staff raising significant concerns with the Price Cap Plan and other settlement principles. However, when the Settlement Agreement was filed on October 20, 2000, very few, if any, of the concerns were addressed in the final documents. AT&T and Cox believe that most interested or affected parties did not have a true opportunity to participate in a constructive settlement. Instead, those parties were presented with what was basically a "done deal." Intervenor testimony in response to the proposed Agreement was due just three short weeks after the Agreement was distributed and just two weeks after testimony in support of the Agreement was filed. Intervenors scrambled to prepare responsive testimony identifying a myriad of serious concerns that will detrimentally affect telecommunications competition in Arizona. Given the testimony deadlines, parties had little time to prepare discovery or dialogue with Staff about how the Price Cap Plan would operate.

The proposed Settlement Agreement raises serious issues that affect both consumers and telecommunications competitors in Arizona. To the extent AT&T and Cox have raised substantive concerns with the Settlement Agreement, it is to highlight the need to allow interested parties to sit down with Commission Staff and Qwest and have a meaningful opportunity to negotiate terms of settlement. Allowing a reasonable amount of time for these purposes — given the magnitude and importance of the issues — seems reasonable and appropriate. It also will allow adequate time to provide full and proper public notice of the proposed Settlement Agreement should subsequent negotiations fail to resolve the critical issues. In either event, the Commission will best serve the people of Arizona by not rushing to judgment on a settlement negotiated behind closed doors without participation of all parties.

RESPECTFULLY SUBMITTED this 22 day of November, 2000.

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THE MOUNTAIN STATES, INC.

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CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of Reply in Support of Joint Motion of AT&T and Cox to Reconsider Procedural Schedule were filed this 22nd day of November, 2000, with:

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and that a copy of the foregoing was hand-delivered, this 22nd day of November, 2000, to the following:

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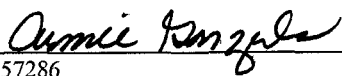
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